

# UPL Capital Markets Day

(12.05.2021)

**Ms. Radhika** 00:01

Good morning and good evening ladies and gentlemen. And I hope all of you are doing well. Thanks for joining us today for the Capital Markets' Day event and the results for the quarter and full year ended 31st March 2021 for UPL. During the event we will be referring to a presentation that you can see on the webcast and is also available for download on our website. We take as having read the Safe Harbor statement. From the management, we have with us Global CEO - Mr. Jai Shroff, Group CFO - Rajendra Darak, COO - Carlos Pellicer and Diego Casanello. As has been announced earlier, Carlos will be taking over from Diego as the new COO for UPL. We are also joined by Adrian Percy - Chief Technology Officer, Anand Vora - Global CFO, Raj Tiwari - Global Chief Supply Chain Officer, Farokh Hilloo - Chief Commercial Officer. We also have with us today all our regional heads and other global leaders. As far as the agenda is concerned, we will start the presentation with an overview from Jai, followed by the business update from Diego, a strategy update from Carlos and the R&D update from Adrian, followed by a financial update from Anand. At the end of the presentation, people who are willing to ask a question, can put the question in the chat box on your webcast screen and we will take it over from there. With that. Let me hand over to Jai. Jai, over to you.

**Mr. Jai** 01:32

Thank you very much Radhika. Welcome, thank you everyone for joining the call today. Good afternoon and very warm welcome to all of you. Thank you very much for joining us today. We sincerely hope that you and your families are safe at this very difficult times. 2020 was certainly a challenging year for each one of us, and the world economy as a whole. Despite being incredibly tough year UPL has shown unprecedented growth by continuously transforming and innovating and adapting to constantly changing situation as best it can. We have had a good year overall, we delivered strong operational and financial performance despite the challenges thrown to us. We began the year with a news of a new unknown virus that spread across the world and endangered lives. We saw the situation for what it was; a shock to the global economic system. It was clear that it was going to present a challenge to the health system, supply chain and end markets everywhere. Our, one of our core values is always human. And recognizing the need of the hour UPL's COVID response team began work in March 2020. We put as many resources as we had at our disposal to provide relief. Our crop spraying machines were used by frontline providers immediately to help sanitize 700 plus public spaces using 5.4 million liters of disinfectant solution that were manufactured captively to combat the spread of the virus. We were also able to distribute hand sanitizers, PPE kit, food, water to frontline responders. Would we like to see the film now? Thank you.

Being agile is another core value of UPL. We have lived upto our value by being a pioneer in ideating the conversion of capital nitrogen plants to produce oxygen to support the unprecedented demand from hospitals. Within 72 hours of the second wave hitting India, we mobilized our resources to convert four nitrogen plants to oxygen and install them at hospitals, four hospitals. We have six running today. We

have also shared the detail with 100 plus industry players and institutions to help them to make similar conversions. We continue to do our bit to bolster the COVID care capabilities across the world. Here is a small, we have already seen the video.

UPL is growing and improving its model to best meet the global challenges of feeding the world. This can be achieved by driving sustainability in agriculture. By being innovative and partnering with innovative companies and institution, we call this OpenAg because we realize that no other company has all the solution to solve the challenges faced by the food industry in the 20th century. We are leaders in agri solution space through our differentiated products, bio solutions and collaborations across the food value chain in advanced technologies digitization, take the center stage. Through our purpose of OpenAg and reimagining sustainability, we, with an open network to create sustainable growth for all, no limits, no borders, we continue to deliver this as we will discuss later by Diego, Adrian and Carlos. Our stated mission is, we want to change the game to make every food product more sustainable. We deliver sustainable outcomes in everything we do. One example being spraying services that we do in India that covers 5 million acres currently and deliver 20% yield increase and 25% reduction in chemical use and a 40% cost- reduction. Sustainable product portfolio will be discussed more in details later. In ending this on a positive note I would like to reiterate that we have created and what we are most proud of, not just that we have created the fifth largest company in our sector but we have the number one portfolio for Bio-solutions and that we hold the top ESG ranking in our sector according to the leading rating agencies Sustainalytics. We also delivered a whopping 21% five year annual growth rate and 26% five year EBITDA growth rate compared to the market growth of 4% to 5%. We are the No. 1 supplier for products in eight countries, India, Mexico, Costa Rica, Colombia, Mozambique, Cuba, Cameroon, Ivory Coast and we will be No.1 player in Chile in this year. Also, although he needs no introduction, I would like to welcome Carlos Pellicer as the new COO. Carlos has been a key architect to UPLs integration of our acquisition. He originally joined UPL with the acquisition of DVA in Brazil and played a strategic role in creating a strong global position for UPL. I would like to thank Diego who has served as UPL COO for the last two years and played a key role in Arysta integration with UPL and delivered an outstanding performance in a tough market environment and helped UPL march towards sustainable agriculture. In conclusion, how companies respond to challenges is what defines them. We at UPL have made it our mission to reimagine sustainability in everything we do. It forms the basis for every project we start, every purpose, process we design and every business we launch. I'm always optimistic about the next 10 years. The world is going to reimagine sustainability in agriculture. We at UPL intend to be the heart of the solution. I have a total confidence we will be there. With an ever-expanding portfolio of differentiated and sustainable products, our deep research and development pipeline of innovative projects and cutting-edge digital team, building a new digital service offering for farmers with the future of UPL is brighter than ever. I thank you for your time today and your faith in UPL as we strive to achieve our vital mission. Please take care of yourselves and stay safe. I'll hand over to Diego now.

**Mr. Diego 10:56**

Thank you, Jai. Thank you for your trust these two years and also thank you to my team for the last two and four years or so with Arysta, it has been an incredible privilege to be able to serve in this position.

And I'm with Carlos, passing the baton to Carlos I am more than certain that you know the wheel is in the right hand. And wish Carlos also the best. Let's maybe talk a bit about the year and then Carlos is going to take forward to discuss about the strategy moving forward. For many of us this has been the most unusual and challenging market environment in our careers. COVID has turned literally everything upside down. Not only it has cost a terrible toll on human life but it also put the sustainability of our food systems under an incredible test. More personally to UPL, we also suffer the loss of employees in a fire at our factory in Jhagadia India. Our hearts and prayers are with their families. UPL puts the highest priority on safety standards and everyone in the company is committed to continue to improve them. We have investigated this incident fully and have implemented new protocols to make our employees safer. Our employees in our team in UPL is strong and we all together have managed despite these challenges to make sure that that we help farmers around the world to grow crops. And to prevent that the COVID tragedy becomes also a food crisis. We're all very proud about that. It is therefore quite remarkable that our UPL team has been able to deliver such a such a great performance, a great business performance in a challenging year like this one. We have outgrown the market and most of our competitors. On the back of a strong Q4 we finish the full year growing revenues by 8%. We did this despite significant currency headwinds from a weak Brazilian Real. So what drove this revenue growth? The launch of new products. I would say first of all, we continue also to cross sell the legacy portfolios from UPL and Arysta. And we are selling complete solutions now instead of single product, so you will hear more about that during this presentation. We're also very pleased to have managed to increase our margins by 46 basis points. In an environment that is marked by inflation and currency headwinds, this is particularly a great achievement in a year, in a year like this. Our teams have done this by increasing the focus on higher margin differentiated products, by implementing cost synergies, especially in production and by increasing prices for selected products. All these together with the stringent focus on fixed costs management led to a significant EBITDA growth of 15%. So moving to the next slide, I want to share a little more detail about our regional results. We're seeing a growth in every region led by India with a 22%. India growth is due largely to our expanding portfolio in key crops like rice and cotton. But also thanks to our application service offer. We had a great monsoon condition last year, which help us position our bio solutions brands and allowing us to demonstrate to farmers, the outstanding results that these products can bring. In Latin America you know, we continue to suffer from significant currency devaluation, especially in Brazil but nevertheless, we were able to outperform the market and grow our business by 8%. This is in part due to the progress made with our sucking pest and fungicide resistance management platforms for soybeans in Brazil, we now have the portfolio that we need to be the leader in Lat-Am and believe me, that we are working on that every day. In North America, we were impacted by supply constraints in Q4 for some of our herbicide products, still we've been able to improve margins here too, by increasing sales of differentiated solutions and ramping up the Glufosinate sales. Some of these supply constraints, we still have orders, we have the orders on hand and we'll deliver in this month but we have to basically suffer from these constraints in the last, in the last quarter. Well, you know the European Commission continues to eliminate active ingredients based on regulatory reviews, we are taking steps to remain a net winner in this in this strength. As you can see, we managed to achieve a significant growth this year by shifting our portfolio focus to more environmentally friendly products and supporting new product launches such as Argos, which is our biological solution, a part of our anti sprout platform for potatoes. Argos, you know, which is applied in conjunction with faster, delivered significant sales last year. And you can see the results of these efforts with strong 12% growth across the region. In Asia, we achieve double digit growth,

especially in Southeast Asia and China. Our investments in expanding our go-to market in China are paying off, here also the acquisition that we made we made last year of Yoloo has helped us significantly to expand our portfolio and our presence. And I want to use also this chance to thank all the UPL teams across the world for this outstanding performance. Really, our thanks goes to them. Moving to the next slide, UPL has been a story of consistent and reliable growth with 21% CAGR over the last five years. And during that time, we have been on a journey really transforming from a reliable product supplier, as we as we call it, to you know with a portfolio of predominantly post patent products to a smart farming partner. You know, with this we mean a partner to the farmer that offers a complete solution throughout the entire season, not only crop protection but also bio solutions, in some cases, application service, agronomic advice. All of these supported by an increasingly digitalized platform. Thanks for this approach, you know, we have already doubled the share of our business with differentiated and sustainable solutions. This is improving our margins and creating also barriers for competitors to claim market share on these segments. And in the following slides you will see, we will update you about the plans to continue to expand this year in the future. I want to again thank everyone at UPL for the tremendous efforts to achieve what we have over the past years. With that said, I am thrilled to introduce Carlos Pellicer, recently appointed the COO of crop protection, who will be presenting the strategy moving forward. Thank you very much.

**Mr. Carlos 18:37**

Thank you, Diego. Thanks so much for a job well done since integration. Giving significant growth to the UPL, in the last two years, while implementing our OpenAg purpose. Wish you a great success in your new endeavor; have been a pleasure to be working together, Diego since the first day of integration and for sure you'll be together with us in our hearts forever. Thanks so much Diego. And I'm very happy to be here and very excited to be here. I believe some of you know why I joined UPL 10 years ago when UPL acquired DVA. And since there have been an amazing journey, the transformation that we have done together in Brazil and then came to be part of the leadership team, Jai invited me to be part of leadership team and now to be responsible to lead the team for the next transformation. I'm really excited. And I'm really excited to present today our strategy update and to share with you how we are reimagining sustainability needed to further drive our OpenAg purpose. Adrian Percy, our Chief Technology Officer, will also provide an update on our excellent growth made in R&D. Next slide please. We are always seeking ways to be closer to farmers. Providing ways to sustainably grow more in prosper. These includes new ideas, new ways and new answers. Next please. We believe that, OpenAg business model is a distinct advantage versus the traditional discovery, driving push mode. This is the OpenAg business model. Our OpenAg innovation pool model is driven through our open skies strategies, commenced last year and full year 21. This country's specifically open skies strategy are designed to develop platforms of solution to address key farmers pain points, often reinventing or creating new segments. These proven mode enables UPL to bring solutions with more agility, to lower innovation costs, lower risk and with faster timelines. With an open approach to collaboration, we have access to a broad set of technologies in AIs to address farmer pain points. Ultimately, farmer pain points drives our R&D in lead to higher return on invested capital. Next please. OpenAg brings solutions to farmers, it always stage of the crop lifecycle, from soil to sale. To make every single food product more sustainable. We see a great opportunity to solve farmer pain points in this expanding market segments which are growing above the industry average. Next one please. This is something that I love. I would like to share an example of a very successful platform that have been developed in

Brazil and has now expanded into neighborhood countries. The soybean resistance management platform was developed to address a very very serious pain point for Brazilian farmers. Quality in yields in soybean was suffering, caused by the inability to control fungi, due to the loss of efficiency of established solutions in higher disease pressure. Since soybean is the largest crop for Brazil, accounted for, for almost 50% of the market, it was a very serious issue. In full year 11, UPL began a war to find solution to address the anticipated pain point. By 2014, full year, we already had our innovation solution in that market, demonstrating tremendous agility. The launch of Unizeb Gold, a resistance management tool, a new, completely new protected segment have been created. Since then, other solutions have been developed, focusing on complimentary, disruptive, unique, important solutions. Four years from our initial launch of Unizeb Gold, patent Unizeb Glory was launched, followed by Tridium and Triziman. This year in 2021, we are very excited to launch the patent pending product Evolution highly effective against leaf spot in soybean rust. Our OpenAg innovation engine did not stop there. In full year 2024, we are planning to launch our first formulation of the patent Fluindapyr, our Fluarys. Next please. As new solutions have been brought into the market, with complimentary benefits to address the pain point, our total available market has grown. When we started with the Unizeb Gold in 2014, our total available market was estimated at \$0.8 million. And it is expected to grow up to \$4 billion by 2024 with the expanding offering. It is important to mention that the solution of these platforms, such as Unizeb Gold in Fluarys, is already IP protected until 2034 and 2033, respectively. Furthermore, more patent applications related to this platform are pending to approve and we expect soon to have that granted. Next please. Another example of our OpenAg innovation pool model includes our control of sucking pests platform, with a total available market of \$1.1 billion. As a result of the introduction of soybean GMO traits, reduced the use of insecticides targeting caterpillars, led to a growing sucking pest population in Brazil. Our platform to address these anticipated pain point includes Sperto, Perito and soon Perito Ultra. In the pipeline Perito Ultra will come soon. Sperto was launched in 2017 to control sucking pests in soybean and it is widely used solution by farmers now. It is a patent optimized formulation of two known chemistry, both systemic and contact insecticides that achieved Fast Track registration because of the anticipated pain point in the huge problem that was to the farmers in Brazil. On the right hand side is an example from Europe of our anti-sprout platform for potatoes, composed of Argos, Fazor and DMR. In this case, UPL anticipate the potential pain points related to the weight loss of potato from the formation of sprout during storage. In 2020, the ban of CIPC, the industry standard for anti-sprout would have left harvest without an adequate solution. In Europe, OpenAg innovation addressed the pain point with agility and creativity by launching a biological solution, Argos in last year, full year 20 - 21. Argos works in combination with Pfizer to control the formation of sprouts as a sustainable solution for a very important problem. Next one. As we have previously described, we are driven by our OpenAg purpose, to become an OpenAg smart farming partners. Now, I will share four key elements of how we plan to grow into the future. OpenAg skies strategy, driving ambition into action, developing the platforms of solutions. OpenAg innovation, translating farmer pain points into opportunities for creative solutions and to build up platforms. OpenAg collaboration, leveraging our network of partners in collaborators to accelerate growth. OpenAg digital and service through transforming our current business through digitalization and developing tools to help farmers. Next slide please. To put UPL strategies for innovation into action, we have launched the OpenAg Skies program last year '21. Open Skies is first and foremost, a customer centric approach to identify major pain points are farmers in the lock solution in our most important markets. Through Open skies UPL will speed up the development in launch of platforms of solutions, similar to the examples

that I have previously shared in this presentation, to create sustainable solutions and growth for all. To this proven approach, we will as we demonstrated, we will invent, we will execute and we will patent protect our platform solutions. Now, I would like to transition to Adrian Percy, our CTO to explain how UPL's OpenAg innovation engine and expand capacity to develop and deploy, validate solutions to the farmers and to their ability to create the platforms. Please Adrian.

**Mr. Adrian 31:24**

Thank you, Carlos and Hello, everybody. Today I'm going to share with you how our R&D organization is supporting UPL's OpenAg purpose while reimagining sustainability. One should know sustainability is at the core of what we do at UPL. From an R&D perspective, it's really exciting to have such strong support for developing new technologies. UPL is truly interested in appending the traditional assumptions of what's possible in agriculture. And we're doing that not only through internal research and innovation but through partnerships and an open network of collaboration. Next slide. Now our R&D mission is built on addressing key farmer pain points, as you heard from Carlos. These are the four pillars which drive our R&D strategy. First of all, innovating within the universe of proven technologies. Then using deep market insights to create needed solutions to farmer pain points, using collaborations and networks to broaden UPL's access to technological solutions. And finally, effectively deploying capital to manage risks and maximize returns. Our OpenAg innovation is leading to a lot of opportunities and at the current time, we have already under evaluation 103 new technologies and we're working with 78 external partners. Now OpenAg innovation means that UPL is seen as a powerful potential partner by many innovative startups bringing novel and disruptive technologies to our industry. We're working with these partners on unique projects that are truly in the forefront of agriculture, such as enhancing molecular activity to overcome resistance issues and developing biological inspired molecules to support environmentally friendly bio control. I would like to share a little video with you to explain a little bit more about the newly inaugurated OpenAg Center here in Research Triangle Park, North Carolina, where I'm talking to you from. Here we put together a team of World Class scientists who work out of state-of-the-art laboratories and greenhouses and are located right in the heart of the ag industry here in the United States. So Radhika, could you please play the video?

**Mr. Adrian 35:32**

We'll move on to the next slide. Thank you. So at UPL we place a high priority in R&D investment and we've grown our reinvestment to over 2.5% of annual revenues. Now, if we want to continue to lead in a sustainable agriculture, we know how important it is to add capabilities and commit resources where they can be most effective. We now have a network of more than 20 R&D facilities around the world, supported by more than 750 R&D employees and have ambitious plans for either further expansion to support OpenAg innovation. Now one of the priorities in the near term is growing our network of field research stations around the world. We have two opening this year and two more plans for the coming year. In addition to the OpenAg Center, last year we launched a 25,000 hectare OpenAg farm in Brazil; a very innovative concept to support research and development on cutting-edge trends in plant health and sustainability. Next slide. The OpenAg farm is truly an innovative approach to connecting R&D to large scale farming on this massive 25,000 hectare farmland. And by farming at scale, we can live the farmer painful pain points that we're actually looking to solve. Through that experience, we can create and validate the amazing groundbreaking solutions that are making agriculture more prosperous and



sustainable. The OpenAg farm is a great example of the convergence of OpenAg innovation and OpenAg collaboration. And let's see another video please.

**Mr. Adrian 38:19**

Great, thank you. If we can move to the next slide. Okay, thank you. So this is what we can share with you about the OpenAg innovation pipeline. On the left, you can see that our innovation rate has been at 20.8% for the last two years, but it's set to grow to 21.8% this year. This is on track thanks in part to the launch of Evolution, which Carlos described earlier. And we've seen a nice increase in our peak pipeline value to over \$4.5 billion. This improvement over the last year comes as a result of increasing projects, partnerships and go-to market strategies. We can also see a promising \$2.5 billion in risk adjusted revenue that will contribute to the business in the next five years. Furthermore, we can see the proof of UPL strategic plan to transform its portfolio. Diego showed us how we have transitioned from 14% differentiated and sustainable solutions to 29% in five years. With our current pipeline containing 80% of the projected revenue on the higher value added portfolio segments, we envisage that this will be the single greatest driver, enabling us to move to a 50-50 company. Next slide. And here are two more examples of innovation that highlight the pipeline potential in soil and seed health, a particularly fast growing high margin segment. First Flupyrimin, is a systemic insecticide that controls key pests in multiple crops when applied both as a seed treatment or in farm. With increasing regulatory pressure on many existing solutions, this product addresses a strong need farmers have for a new way to protect their seeds and seedlings during the vital crop establishment period. We've licensed this patent protected molecule from Meiji Seike Pharma with a new mode of action that affords resistance management and has a favorable regulatory profile against pollinators. We expect this to be launched in the 2025-26 fiscal year. Another example is Gaxy, a proprietary bio-solutions product developed in-house by UPL. Gaxy targets abiotic stresses experienced throughout the growing cycle, and has been proven to improve nitrogen use efficiency, root architecture and reproductive heat stress tolerance. We expect this product to be launched in North America in 2023-24. And with that, I'm going to hand right back to Carlos, Thank you.

**Mr. Carlos 41:03**

Thank you Adrian, we are so excited to see the R&D transformation, our vision for solutions to farmers' pain points into real products and platforms that we can offer to growers. And thank you Adrian for the very good, doubling our perspective in terms of being able to launch all these new innovations. Next, please. One of the most important aspects of our OpenAg strategy is through our uninhibited pursuit of our partnerships. Across every part of the organization, in every geography UPL is seeking ways to collaborate with incredible companies and people driving the industry forward. Collaborations is our way of life in UPL. And we are aspired to be the go-to choice for growers, innovators, distributors, to food service providers, digital technologies, academy, and many more. We see no limit to the potential we have when work with partners, to grow. While Adrian mentioned two beautiful examples of collaboration in OpenAg farm in our work with Meiji, these are only one simple one example of what do UPL partnership mean. Let me explain on how these types of partnerships enable UPL to fulfill its mission. Please Next one. A very significant partnership we just announced in March 2021 is our agreement with FMC to gain early access to Chlorantraniliprole our or otherwise known as CTPR, is a leading insecticide with a total addressable market of \$5 billion. This deal immediately adds a core new achieve ingredient to our portfolio. We are so excited about the future launch of our many innovation,

innovative high value solutions for farmers contain CTPR. We currently have at least 17 formulation concepts in development. In addition, to support FMC maximize the penetration of these important active ingredients, we have agreed to toll manufacture CTPR to FMC in India. This strategic relationship with FMC clearly shows how committed we are to OpenAg collaboration. In our OpenAg purpose to create an agricultural network that feeds sustainable growth for all. Next please. Here is another agreement that demonstrate the power of OpenAg collaborations. While Adrian highlighted the crop establishment example with Flupyrimin , I'm pleased to share how the collaboration made on Flupyrimin extends beyond just application. We have also partnered with Meiji to license the rights to develop and commercialize formulations in applications, focused on rice, in India, in certain countries in Southeast Asia. The agreement show the potential that one agreement can open the door for many orders in future as well grows together. Flupyrimin, it's a new patented insecticide with a novel mode of action, with total addressable market of about \$2.5 billion. With particular efficacy in rice, we see great potential in our latest agreement, adding Southeast Asia to our exclusive agreement already in place. This also gives UPL a complete portfolio of solutions to rice. And we will be able to build that amazing platforms using that base. Please next. Here are a few more examples of collaborations showing the breadth of agreements we have made in the last couple of months. Telesense is a fantastic company, innovative digital solution for post-harvest. Telesense provides a scalable, on-farm sensors, combined with machine learning and artificial intelligence to drive insights on how grain is conducted, stored and transported. As they say, once grain is harvested, it never improves in quality. Those are the high stake, making grain storage very challenged. Our collaboration speaks directly to our mission to a sustainable feed to the world. Telesense contributes importantly to reduce food waste, and improve food quality. The next partnership is the very recently announced Soil Health Institute partnership. The Soil Health Institute mission is to safeguard and enhance the vitality and the productivity of soil through scientific research and advancement. In collaboration with the Soil Health Institute, we'll be studying, training and innovating on soil health management, around select UPL research and development field stations. This is another very important collaboration working towards reimagining sustainability. Next. As Jai noted we are seeing a technological revolution in agriculture digital solutions, the way the digital technology is changing the world around us, grows everyday. What is truly important is that UPL see this technology is vital to helping farmers be more resilient by making agriculture simpler, more predictable, more precise, and sustainable. Next. UPL's OpenAg is to strategies is to accelerate the offer of its smart farming solutions. We focusing on four main areas to develop solutions. Farm management, that provides real time agronomic advice to farmers, such as efficiency irrigation, early pest detections, yield predictions and carbon sequestration. Commercialization platforms, commercialization platforms enable farmers to order inputs and sell outputs online, reduce costs to serve and increase choices. Financial tech could leverage farmers' data access to offer better insurance or credit with better and customized rates. This intelligence service can be offered to farmers and distributors that help optimize their business such as CRM tools for distributors or access to sectors, trends and competitive information. You can expect to hear more from us on this exciting frontier of the UPL business Next please. Today, we hope that we have clearly shared a few key message to all of you. UPL have has consistently delivered. Not only has UPL delivered growth but UPL lives our purpose of reimagining sustainability. Nothing shows that more clear that the commitment in our fight against COVID. UPL has delivered on its promises to investors to achieve profitable growth in challenging circumstances, such as current currency volatility in COVID market shocks. In addition, we have shown why UPL is unique position to deliver growth in the future. With a powerful business



model, a customer centric strategy and the proven capacity to deliver, we are certain that we are on track to become the OpenAg is smart farming partner. As this happens, we will continue to grow on these are some of these are our commitments to the to the to the future. Long term revenue growth ambition of 7% to 10% a year. OpenAg skies strategies will focus our efforts to create unique platforms of solutions that will address farmer pain points. We are committed to execute and deliver our \$4.5 billion at the peak R&D pipeline. We are ready to further transform so that our 50% of the revenue that will come from differentiated and sustainable solution before year' 26. To do that, we must accelerate bio-solution portfolio. In this year with the commodity price at the level that is soybean, corn, wheat, cotton, we believe this will be an amazing year for us to increase our bio solution portfolio. Use a customer centric approach to create new biological solutions and continue to expand our Pro Nutriva offerings. Next, we are committed to implement our OpenAg digital strategies. Lastly, while we deliver these, we will maintain sharp focus on increase our return on capital. I'm very excited about the future of UPL. And I hope all of you are too. I am sure that our team will do amazing job as they have done. We have an incredible team and we will be sure that our future of UPL will be delivered again. I would like to now hand over to Anand to do the review of our financial performance. Thank you very much.

**Mr. Anand 53:32**

Thanks, Carlos. Before I take you through the key numbers for the fourth quarter and the full year, financial year 2021, we take as read the Safe Harbor statement. As was earlier mentioned by Jai and other members financial year 2021 was a tough year due to the COVID pandemic. While some parts of the world recovered during the year, with business coming back to normalcy, some others are still struggling. During this period UPL has been able to demonstrate the strength of its business model and come out more stronger and resilient. I'm proud to say that all our teams are taking the challenge head on and are truly demonstrating agility by enabling delivery of our commitments, both in terms of revenue and EBITDA and also helping in reducing the net debt in this tough environment. As you can see on the slide UPL is one company that has delivered very strong performance through the cycle. We have outperformed the peers and that's reflected by the annualized growth not just on revenues but EBITDA and PAT as well while being financially prudent and reducing the debt. While the markets are growing on less than 3% CAGR over the last five years, last five years, we have delivered revenue growth of around 21% and EBITDA growth of 26%. We have also been consistently delivering on the guidance which are given at the commencement of the financial year. Next slide, please. As you are aware, the fourth quarter is the strongest of all for UPL and it added the momentum to growth in revenue and EBITDA at the back of strong demand and excellent or probably all-time high crop prices. Revenues were up 15% with volume growth of 18%, gross margins was up 150 basis points and EBITDA margins were up 300 basis point over last quarter of financial year 2020. EBITDA growth was above expectation and it rose by over 30%. This was due to favourable mix with high margin differentiated and sustainable solutions and synergies which have been achieved well above the stated target and also, despite partially offset by the higher fixed costs. So we continue to deliver both in terms of better margins as well as in terms of better EBITDA. Exceptional items for the quarter was an expense of about 81 crores, mainly on account of the shutting down of our Rotterdam plant and the unfortunate incident at Jhagadia. The net profit for the quarter stood at 1065 crores. Next slide please. Revenues for the full year were 8% higher and EBITDA was higher by 20%. Considering the PPA adjustment in the previous year, the EBITDA increase was 15%. Here in this slide, we are comparing with the reported numbers and therefore based on the reported numbers, the EBITDA is higher by

20%. Fixed Costs during the year was higher mainly due to higher employee costs that were created as a part of our transformation to being a smart farming partner, as has been mentioned by Jai and Carlos. Exceptional items for the year was an expense of 238 crores primarily on account of Rotterdam closure and plan employ redundancies. This was part of the integration initiative which we started two years back at the time of acquisition of Arysta. The net profit for the year was at R. 2872 crores and thereby delivering an EPS of 36.42% per share up 57% against that of the previous year. Next slide please. I provided an additional slide this time on breakdown on the finance cost. As you will see on the slide we lowered the interest costs both during the quarter and for the full financial year 2020. However, the finance charges have gone up during the quarter and full year only on account of exceptional one-time costs, which were \$ 35 million that have been incurred due to prepayment bonds and loans. Overall the result of our debt management efforts can be seen in the lower interest costs. And this lower interest costs will continue in the next, in this coming year too. On working capital, in line with the seasonality of business where working capital releases in Q4, net working capital days stood at 71 days, lower by 9 days compared to last year. The payables for the quarter increased by 12 days, while inventories increased by 9 days and receivables were reduced by 5 days. This is better than our guidance that we have given at the beginning of the year. Next slide please. Here we have put up a summarized cash flow. During the year we generated a strong 4506 crores cash from business, which represents almost 50% of our EBITDA. Against this we have the financial and investing cash flow of 6406 crores, including the repayment of debt made during the year. During the year, we have brought down the gross debt to 23,774 crores as of 31st March 2021, a reduction of rupees 5040 crores from that of the previous year. The net debt stood at 18922 crores, a reduction of 3140 crores and the net debt to EBITDA on the on this basis was at 2.2x. We maintain our commitment to maintain investment grade rating. While we continue to reduce the gross and net debt, the lower than expected contribution margin and cash outflow on account of marginally higher capex and few bolt on acquisitions led to a shortfall of about 700 crores in our net debt reduction and in other words, we were, we fell short, we had guided our net debt EBITDA of 2, we have ended up with a net debt to EBITA of 2.2x and 0.2x represents roughly about 700 crores which I just explained, we fell short during this year. Moving on to the next slide, our guidance for the coming year, that's FY '22. Summarizing, we believe that the price corrections to cover the currency devaluation, higher proportion of differentiated and sustainable products, which both Carlos and Adrian talked about and the strong demand growth will enable us to deliver strong results going forward. Our guidance for FY '22 is 7% to 10% revenue growth and 12% to 15% EBITDA growth for the financial year 2022. With this allow me to end the presentation, and hand over to Jai for his closing remarks. But before I do that, I wish you all to stay safe and stay home, I'd say so. Thanks. Thanks, everyone for the attention and over to you Jai.

**Mr. Jai 1:02:13**

Thank you very much, Anand. Thank you very much, Carlos, Diego, Adrian, for your presentations. I think our stakeholders, shareholders will be very happy to see the progress made. Reimagining sustainability is our goal, we are in every project we do, every investment we make, we are looking at how do we make the food systems and every food crop more sustainable. Today, at UPL, we are in an amazing possibility to make a big difference. We have validated projects in banana crops, in crops where we can reduce the chemical use by almost 50%. We have demonstrated and launching projects to reduce water and fertilizer requirements in sugarcane by 30% respectively. We have so many exciting projects to make food more sustainable and we are working closely to see how we can reduce

the impact of, back of agriculture on the environment. We believe that in the next few years, agriculture can really contribute the, can really contribute well to solve the challenges on climate change. Agriculture is not only the biggest, you know, agriculture receives the most amount of damage because of climate change and farmers face the highest amount of risk because of climate change. But changing practices in agriculture can actually reduce the carbon emissions in the world. And we believe that we are uniquely placed with our technology platform being the leading supplier of bio solution products and our huge product pipeline, we can make a big difference. Any other slide, these are some of the examples on which we are dealing with today in banana plantations in Costa Rica and Central America where we are able to reduce the chemical is used in banana plantations. We are working with rice farmers, sugarcane farmers, cocoa farmers in different parts of the world to actually make them more sustainable.

**Ms. Radhika** 1:05:04

Thank you. Thank you Jai. With that, we'll now take the questions. So if you like to ask the question, you have a window on your webcast screen and you can put your questions. In the meantime, I just have some questions that have piled up. So I just go one by one on them. I think, Jai the first question is for you, from an investor and they say that.....

**Mr. Anand** 1:05:39

Radhika, if you can speak a bit louder, you're not audible.

**Ms. Radhika** 1:05:43

The first question is, how do you define or categorize the differentiated and sustainable products?

**Mr. Carlos** 1:05:59

Radhika, I believe you need to repeat the question because you're line has been cut.

**Ms. Radhika** 1:06:06

The first question is that how do you define the differentiated and sustainable solutions?

**Mr. Jai** 1:06:14

Thank you, today, the agriculture and the challenges faced by farmers are huge. and sustainability is not a priority for farmers. The biggest challenge for a farmer is to end the year with a profit than dealing with all the challenges he's facing. When you talk about sustainability, as sustainability project for a farmer is something which reduces his risk which reduces his cost and which improves the probability of him being profitable. UPL is completely focused on developing technologies which not only are better for the environment and sustainable but also for the farmers resilience, for the farmers livelihood to reduce risk. When we have products and technologies like Zeba, we see the impact it makes if there is a longer dry spill. And these the amount of benefit they get because of germination and the benefits to germination help the farmer become more resilient. Not only that, it reduces the requirement of water and fertilizer for the farmer through the growing cycle. It also reduces fertilizer leaching in the groundwater which is one of the biggest pollutants in the world. And so we are very excited about bringing in these technologies, whether it's Gaxy or its other biosolutions products, which actually

reduce the requirement of chemicals, we believe that this portfolio today at about 12% to 15% of our revenues will continue to grow disproportionately in the future.

**Ms. Radhika** 1:08:11

You're on a journey of becoming a product to a solutions company. How important it is to have a strong seeds franchise as well. And any numbers on how big the revenue business, the revenue from the solutions business will be for you?

**Mr. Jai** 1:08:29

Today, thank you for that question. Today we are piloting the solutions, the outcome based solution business in about one and a half million acres of land in India. And we are doing the same in different parts of the world, in Africa and in Central America, etc. These will become mainstream in the next two, three years where I believe that substantial part of our revenues will come from outcome based ProNutiva type projects where we actually offer farmers solutions based on outcomes for them. I do not have exact numbers on that but it will continue to grow much faster than the rest of the UPL business.

**Ms. Radhika** 1:09:32

Adrian, could you talk about the key focus areas for UPLs, R&D in terms of platforms? What more should we expect there?

**Mr. Adrian** 1:09:45

Yeah, certainly. So, as Carlos said, we are in the process of identifying farmer pain points from around the world and that is the starting point for our R&D activities. And then we look to apply first individual products and solutions and then platforms to actually solving those pain points not just, you know, not immediately in the next year or season but also on a long term basis. So there are a number that we're working on, I won't go through all of them but Carlos only made reference to some, for instance, you know, looking at treatment of diseases particularly Asian soybean rust, in geographies, such as Brazil, where we already very far along in capturing a very extensive platform. We're also looking at different insect populations, sucking pests, pests or lepidopteran, as well. And so we're also looking at solutions in those areas, were very intent on trying to solve for issues of resistance, whether they're in the herbicide area, the fungicide area or the insecticide area. So that's another big area of focus. And maybe one more to mention is just in the soil health which I did allude to, you know, we believe that there is an enormous wide space here to help farmers understand better how to improve their soil health over time and to apply different products and solutions to help them do that. And so that's another area of focus that we have been expecting the future to have a wide and broad range of products and solutions to help deal with.

**Mr. Carlos** 1:11:22

Radhika, just one, one complement to Adrian here is the carbon sequestration platform. We are working deeply on that, how we can design soybeans to explain on the carbon sequestration side, that is a very important areas of focus for us.

**Ms. Radhika** 1:11:50

Europe has been delivering good growth, what should we be expecting from Europe? Will a similar kind of growth can be expected from Europe and what are the areas?

**Mr. Carlos** 1:12:05

I would like to ask to Felix to answer that question, please.

**Mr. Felix** 1:12:15

In Europe, we are going to continue to gain market share. The market share in Europe is growing significantly. But we are looking for the influence of the farmers as Carlos mentioned earlier. We will continue to expand our bio-solutions portfolio there which is already doing well and expand its reach to more countries.

**Mr. Carlos** 1:12:52

Jeroen do you want to compliment any other point to Felix?

**Mr. Jeroen** 1:12:59

Yes, thank you. As mentioned by Felix yes, of course, we keep rolling out new products. Also we keep investing in our teams. So in some of the countries, the market share of UPL can still grow where we were under-represented. In big countries that are big countries like Germany, we will keep investing, improving our market share and also we are investing in our teams to push bio solutions. So, this is also a spear point for us where we expect to be able to grow above the average market expectations.

**Mr. Carlos** 1:14:34

Radhika, back to you.

**Ms. Radhika** 1:14:36

Yeah. There are a lot of questions on the potential of the FMC and the Meiji deal. What does it do to the revenue and margins over the next few years? And why is this important for us?

**Mr. Carlos** 1:14:50

Yeah. I believe Vicente can you talk a little bit about the FMC CTPR deal, this is a very important agreement that we have been working on, we have closed. Can you talk a little bit about our perspective?

**Mr. Vicente** 1:15:13

Yeah, sure Carlos, thank you for the opportunity. As we have already presented, so, CTPR and the Flupyrimin are new AI's for us, right. Flupyrimin is completely new patented AI and we are developing several formulations on the CTPR that will allow us to play even more in Asian rice. And we grow also on seed treatment on both CTPR and Flupyrimin. So these will help us to, to increase our reach in, in the soil health, right. And also play on one of the questions that came up on the differentiated solutions. So this will help us to continue to develop new differentiated products, new products that will reach to the market and patented product, that's what's most important, right. So both collaborations with Meiji and FMC will increase and will help us to drive to the target to have at least 50% of our business coming from differentiated and sustainable solutions.

**Mr. Carlos** 1:16:22

Great Vicente. And what is important to say this is to be the first year for us right Vicente and we are looking to launch CTPR in Brazil, in Mexico, in South Africa, in Kenya and in India during this full year year 21-22. So it's in these countries we will be already the first launch will be happen this inside of this year.

**Mr. Vicente** 1:16:52

That's correct.

**Mr. Carlos** 1:16:59

Radhika, back to you.

**Ms. Radhika** 1:17:00

Yes, yes. Yes, Carlos. So as you grow, you're differentiated and sustainable solutions SKUs, how should we think about the R&D spend? Should we see that it will increase as we go on increasing the proportion of sustainable and differentiated solutions?

**Mr. Carlos** 1:17:16

Radhika I will ask Adrian, to ask to answer that question. But for sure, our focus in sustainable solutions and bio solutions is huge. And, Adrian can you talk a little bit about that, please?

**Mr. Adrian** 1:17:32

Yeah, so sure. So in terms of building out our R&D efforts, we've made great steps over the last year, as I described with the OpenAg Center here in, in RTP but also, with the completion of and the purchase of a number of research farms across the world, that effort will continue. I mean, the way we see our R&D spend, going up with time is in parallel with increased sales. So our target right now is to keep around about 2.5% of revenue. So that is, you know, how we see moving forward, in terms of, you know, where we're spending that money, of course, there's been quite a shift from, you know, some of the more generic type molecules that we've developed in the past and more sustainable products as Vicente described but also working a lot now in, in bio control, biostimulants, these types of products which actually, on an individual basis, are not as expensive to develop as an individual, synthetic active ingredient. So, you know, we have a lot of projects within the company ongoing, we're very excited about the potential of those projects to deliver you know, that 4.5 billion of revenue peak, over the, over the coming years.

**Mr. Carlos** 1:18:52

Yeah, in a very interesting that is investment, that Adrian is talking about. We will, we will work to design bio solutions, organic solutions, sustainable solutions, say the idea to combine the pronutiva approach, where we design and we develop that together. Can you imagine that what we did in 2014 that we develop all these platform for resistance management, if we have combined that already with the bio solutions and bio control, what we could have now. See, this is what we are doing now, see we are combining the technology and we are putting that in a smart way. And these investment is going that direction of pronutiva approach to right. Go ahead, Adrian please.



**Mr. Adrian** 1:19:47

Yeah, sorry. Just to add to that point, Carlos, I mean, we have a very, very large toolbox already within UPL of different molecules of different biological products that we can do this combination with and now we are supplementing, you know that toolbox with, working with external partners as I described. And there are a huge number of early stage companies with really interesting technology that we are engaged with that we believe we can combine, you know, some of their technologies with our internal molecules that we already have in-house to produce, you know, new high value products for the market.

**Mr. Carlos** 1:20:26

Thank you, Adrian, back to you Radhika.

**Ms. Radhika** 1:20:30

Another question is on any supply chain or logistic constraints that we're facing and anything expected for the current quarter?

**Mr. Carlos** 1:20:40

Can you repeat the question Radhika, please,

**Ms. Radhika** 1:20:42

Any supply chain and logistics constraints that the company is facing? And anything in specific for the current quarter?

**Mr. Carlos** 1:20:50

Yeah, I like to ask to Raj to answer that, Raj is working so well on that and have done a so good job last year, that have been a very, very challenging year. And Raj, can you come up with this answer, please?

**Mr. Raj** 1:21:07

Thanks, Carlos. Yeah, I mean, there are signs of supply chain constraints in the industry, in general, as, as well as modest channel inventory overhang for the industry in certain countries. However, UPL is well positioned to limit this impact at the back of the investments you know, it has made in setting up a backward integrated manufacturing model and the sustained cost efficiencies due to this.

**Mr. Carlos** 1:21:42

Very good Raj. I'd like to ask to Jai, to Jai to add a little bit on the, on the resilience that UPL have had during the last 20 years. Where was easy for us to stop investing so much in manufacturing. Jai, can you come a little bit on that please? Jai?

**Mr. Jai** 1:22:15

Yeah, no, I think you know, supply chain constraints are two ended challenges, you know, in a difficult year, like last year, we had supply chain constraints on anticipating what kind of demand there will be, which crop prices will be there, where the farmers will be investing, not investing and how do we divert

our resources in areas which were going to continue to grow and which farmers were going to be more profitable. In a year like this, where you're seeing huge uptake in you know, growth in value for crops, I believe farmers across the field crops across the world are going to over invest and aim to get maximum yield. So, the challenge comes from a different viewpoint, I believe that the demand for this year will be very, very strong. So, we expect robust growth in our, our business from that point of view, we will also we also face certain raw material price increases. So, passing through those costs increases across the value chain, across the product portfolio has to be done. But I believe that the profitability of the farmers is going to be so good that it should not be a problem to pass through the cost increases across.

**Mr. Carlos** 1:24:06

And Jai, how resilient have been you on these 20 years to really, really being able to sustain the focus on, manufacturing and now is a very important moment to us, right?

**Mr. Jai** 1:24:21

Yeah. So UPL has constantly invested in manufacturing and constantly, constantly backward integrated to really be truly resilient and independent on most of the key raw materials. Today, because of that we are able to gain market share in almost all markets we operate in. Today UPL has been able to consistently over the years, be competitive, be aggressive but also have the highest margins in the industry. This has actually been because we have constantly invested in manufacturing, we invented our cost position, we invested a lot of money in backward integration. And this gives us much more resilient growth trajectory and we can predict a lot more growth and we can control a lot more of our costs than if we had not done this. So, we feel quite confident that where we are today, it's a very, very strong position.

**Mr. Carlos** 1:25:29

Very quickly. Jai, thank you. And I just want to come back to Raj. Raj taking personally, this question to relate the supply chain issues, I believe it's something that is disrupting many parts of the industry and what we are seeing, what we are, what we are doing to protect our team in the factories to be able to, to manage these COVID time can you come with that, please?

**Mr. Raj** 1:26:04

So Carlos, you know, two, two main things, I mean, one is of course, once the COVID started with the behavior and the kind of, you know, precautions we had taken in terms of, you know, re-adjusting our manufacturing activities. And the second very important piece is on vaccinating our, our people. So faster, we can vaccinate and we know, we make our workforce much more safer. And that's what we are concentrating on globally across all our 48 manufacturing plants. You know, we are ramping up the vaccination program for our employees and we have a good success there in terms of getting our employee vaccinated.

**Mr. Carlos** 1:27:05

That is very important. However, important part of our team already vaccinated in the factories is really a big, big precaution. In India, there is a priority, right? The people that works in the, in the factories, are priority, right?

**Mr. Raj** 1:27:23

Yes, in the factories, that is the...that is the priority, you know, in India, just to give one data point, you know, more than 45 years employees you know, 93%, you know, employees has already been vaccinated.

**Mr. Carlos** 1:27:40

Very good. Thank you Raj. Back to you, Radhika.

**Ms. Radhika** 1:27:46

So there's a question that with the increase or the strong commodity prices, do we see that the consumption of Agro Chem is going to increase and does that also then give us some room to increase the prices?

**Mr. Carlos** 1:27:59

Radhika, I will answer that question myself. In a year like these, we saw these in the past but now it's even higher in some aspects. Essentially, soybean price is more than 16.4\$ per bushel. Corn have been more than 4.3\$ per bushel. The price of cotton, it's quite strong. I would say we are seeing increase in planted area of these crops in an important way, is limited by the amount of machinery, the farmers you have to do that, say they produce the inventory of these crops are quite low and in some of them very low, like soybean and corn, it's very, very low. And in this type of situation farmers try to use their best technologies, they try to use the better way they can do to capture the most value per hectare they can. Say it's a year that we expect the demand will be quite high. Some countries we have already amazing amount of orders in hands, it's going to be a quite interesting year. We will need to manage to see the biggest challenge will come to Raj and the demand will become too high. I should say that the demand will be quite high. And, and I believe it will be a amazing year for our biostimulant area because our biostimulant products they delivered, increase yield to the farmers. See our team is working very hard to be able to prepare to teach the farmers how to use more debt and better debt. And we believe that our biostimulants will be an important growth to view and our platforms, it will be another one that will be growing quite fast now because it's a really incredible price of the commodities and we are expecting up quite interesting demand in the following months and we are seeing the what's happening fertilizer, what we are seeing what's happening in machinery and is the same, it is happening and will happen to the crop protection part and biostimulants part. Radhika back to you.

**Ms. Radhika** 1:30:39

What is the likely impact of the recent dry conditions in Brazil and US?

**Mr. Carlos** 1:30:45

I like to give a first to Craig, to talk about the US. What is what is happening there this cold weather at the beginning? These is the one of the reasons that the soybean prices going up too. Can you talk a little bit about Craig, about the weather situation in US please?

**Mr. Craig** 1:31:06

Thanks. Thanks Carlos. It's, it is we do certainly have areas that are on the drier side but when you look at the California market, we're seeing some dry weather and we're seeing some dry weather through parts of the Midwest on soybean. But I will comment that it's still relatively early in the season. So we're just putting the crops in now. And you know, nobody would write-off a crop at this time of year in the season. So, you know, we're waiting anxiously, at this point growers are actively putting in their crop, it's coming out of the ground. So you know, I wouldn't be overly pessimistic at this point. But it is a little bit on the drier side. And we are seeing momentum because that in things like our insecticide, my site portfolio, we're starting to see that early just to make sure that they're protecting the crop and those type of conditions.

**Mr. Carlos** 1:32:04

Very, very important, Craig, Thank you. I like to ask to Fabio to say, to explain explain about Brazil. We know that Fabio have been part now of the global team. He's coming to lead our bio-solutions globally. And Rogerio have taken the position as the CEO for Brazil. And as Reogerio just started few days ago, I will ask to Fabio to to talk about Brazil. What, what is your view about these drought in Brazil? Fabio Please.

**Mr. Fabio** 1:32:39

Thank you, Carlos. Good morning. Good afternoon, everyone. We have some areas in say hard regions that we have more or less 30 days without rain. But of course, that could lower the use in the winter corn. But on the other hand, we have high prices for corn as Carlos mentioned, that is the highest price in the last eight, nine years. And I think it's interesting to explain that this winter growers are also soybean growers, so they just harvest a very nice season of soybean with high profitability. To give you an idea in Brazil, the price of one bag is 60 kilos bag in Brazil is higher than \$30 and the breakeven to produce is around \$12 per bag. And so we have in Brazil, very good perspectives and for the next season and we are expecting that soybean area will increase 4% that means 1.5 million hectare additional 1.5 million hectare more or less. And for corn as well we expect that the corn area will increase 5% which means more or less 1 million hectare additional 1 million hectare. And the same for cotton that should increase 15% to 18% or wheat that should increase planting area from 15% to 20%. And so the perspectives with this high commodities price remains very, very good, very positive and we have an opportunity to increase the prices as well.

**Mr. Carlos** 1:34:45

Very good Fabio, thank you very much. And Fabio will be working closer to me to develop these global biosolution platform. In the Q1 I believe we will have some interesting things to explain to all of you. Radhika thank you. Back to you, please.

**Ms. Radhika** 1:35:06

Yeah, sure. So Anand there are questions on the guidance for the tax rates and capex for next year? And also what are the margins that we're looking at once we achieve this 50-50 of post-patent and sustainable and differentiated? So can we talk a little bit on that?

**Mr. Anand** 1:35:37

Sure Radhika. So capex guidance this year, we will be looking at spending close to about 300 million, last year was 275. Anywhere between 300 to 320 million is what we expect to spend this year on capex. As far as the tax rates are concerned, we still maintain between 15% to 18% effective tax rate, is what one should pen in by preparing the financial model. What was other question Radhika?

**Ms. Radhika 1:36:12**

Margins, margins once we go to 50-50?

**Mr. Anand 1:36:16**

Well, I think, you know, UPL, has now embarked on as you have heard, Carlos, Jai, as well, as Adrian, you know, is taking you through the journey, what we are embarking on and with our current business model and our reach with the farmers and customers across the globe, I am with the thrust on digitization which we expect will to bring a lot more efficiency as well as much, much stronger and better connect with the farmers. We do believe that, you know, over the next three years, we could be talking about 24% 25% margins, if not more. I mean, our internal targets are much higher. But I would say that with a bit of caution and a bit of conservatism, I think 25 is quite doable in the next three years.

**Ms. Radhika 1:37:19**

A question on the India Business about their pro nutriva concept. What is it? What does it do today? What kind of solution it is and what's the potential? And how do they see the India market?

**Mr. Carlos 1:37:32**

Thank you, Radhika. I believe Ashish, can you explain that? Ashish has just been promoted to be the Head of the region, India region. He used to work with Samir. Samir is taking new lead, as the new region that we have opened that is Southeast Asia, Australia, New Zealand and Ashish have been promoted to be the regional head for India. Ashish, please can you explain about that, please?

**Mr. Ashish 1:38:09**

Yeah, thank you, Carlos. I think it's a good question. I think pro nutiva for us is more of an extension of the overall OpenAg philosophy. You know, we have you know, we believe we have one of the best, you know, product portfolios with us, in crop production, this combined with our knowledge in nutrition and our global leadership position in nutrition. Add to that in this current times the importance of digitization, I think it as compared to our competitors, we are way ahead in terms of digitization. Add to that the services that we are offering and the farm mechanization that Jai talked about. Put all this together in an entire community program, you know, which basically helps a farmer to increase his quality and his productivity, you know, which makes his life better and reduces the risk and increases the profitability. So, I think all of these things put together you know, essentially is the ProNutiva program. This is something which is doing good for us, very, very good for communities, you know helping us connect with the farmers in a much much quicker way.

**Mr. Carlos 1:39:17**

Adding to that Ashish, the importance of in this Pro Nutiva program. It is a piece of that tool that is the combining bio with, with chemical; like say you, we work to make very sustainable solution for the farmers, saying the pronutiva approach is their bio solutions with their normal crop protection where we

work very much to connect in to make the best progress to the farmer to be able to do every single, what Ashish was saying, to improve quality, improve yield and have a better and more resilient perseverance and have grown a lot this last year in in India, right Ashish?

**Mr. Ashish** 1:40:06

Absolutely it is a way of life and you know, philosophy with which we are doing business in India.

**Mr. Carlos** 1:40:14

Very good. Samir, any any point to go to add to that Samir please?

**Mr. Sameer** 1:40:22

Yeah, Carlos, so Ashish said it rightly, it's a way of life for us to really help farmers. Jai had laid down a very clear principle here, that what we need to do is bring the cost of a farmer by 30% down and improve his profitability by 30%. And this combining all of the services, combining biological solutions, chemicals, spraying service and improving not only the yield for the farmer, reducing his cost and improving the quality with which he can command a better price. So all this together would lead to a more sustainable solution, brings in much safer food as well for the consumer. I think that's the way and very proud to say that in India, we have been able to get to more than about 150,000 farmers who have used these packages and have improved their yields and improve their profitability manifold. I think we have a great momentum here. And we can keep building on and can do really, really well.

**Mr. Carlos** 1:41:39

Thank you Samir. Thank you. Thank you. Radhika back to you.

**Ms. Radhika** 1:41:44

Do we have any geographic mix target in mind as we go along?

**Mr. Carlos Pellicer** 1:41:50

Radhika, I'd say what is beautiful in UPL is we see that the culture, whether it's quite unpredicted now and, and having a global presence like we have, we are able to really de-risk our business and the way that we are organized today, we have a very strong business in all different regions. We want to grow more in Asia, if you see the idea to create this new region that Samir is taking care of, see we want to grow more in Asia, we want that Kobayashi that leads Japan, South Korea, China to be more, with more focus there to see how we can grow more and faster there. With Samir to focus in Southeast Asia and in Australia, New Zealand to see how we can gain more share there. And our presence in India is fundamental, is critical and we believe that we have amazing opportunity. Africa, we have a very strong model there, we are leader in Africa, we are number one in some countries there and we have a very, very strong presence in Africa and we like that, we want that. Europe, as we were discussing and see we have amazing pipeline to come. And even though we have had lost some products in the last years, you saw that we grew 12 percent you know in Europe. And North America, we have a tremendous team, we have a tremendous portfolio, we have a possibility to grow very much in the row crops and in the specialty crops. Latin America that have a blend of specialty crops and row crops. We are number one in many, many countries in Latin America today. We are number one in Mexico, we are number one in Costa Rica, we are number one in Colombia, we are becoming number one in Chile this year.



We are doing an amazing job in in Argentina and Paraguay and, and South Kone and Brazil we have a incredible portfolio. The amount of pipeline that we have to come in Brazil in bio solution and crop protection, see we need to keep this mindset of growth and this mindset of regional focalization. See, we work to make sure that the regions are able to grow as much as they can in a sustainable way. Globally we work to give the support, to give the global strategy.

**Mr. Jai** 1:45:24

Go ahead Radhika.

**Ms. Radhika** 1:45:25

Yeah. So Anand there's a question on this sustainability linked loan that we've done. What has been the usage of proceeds for that and how much of the original acquisition loan is now outstanding?

**Mr. Anand** 1:45:39

Thank you Radhika. The sustainability loan which we have raised is purely to replace the existing acquisition loan. So it's the entire point, we went off to release 500 million and the response was phenomenal. As this was the, probably the first sustainability loan out of India, from an investment grade company and all banks wanting, there's a mandate for them to take up assets on books, particularly those which are targeting sustainability. And therefore we had, we were actually pushed to accept another additional 250 million. So as of 31st, March, we took 500 million and in the second week of April, we took additional 250 million, the entire 750 million has gone to repay the existing acquisition loan. We have got the benefit of a reduction in interest costs by 30 basis point and also, if there are, this loan is linked to our KPIs for reduction of use of, you know, water, reduction of effluent and also the carbon the carbon footprint reduction. And if we deliver on these KPIs, we expect an additional 5 basis point reduction in the interest costs. Thank you, over to you, back to you Radhika.

**Mr. Carlos** 1:47:08

Sorry, the connection dropped. Just to conclude that answer, we are focused in say we are working for each of the region to be able to express their maximum and we want to grow in a sustainable way in all the different areas in different regions. But this is what gave us a lot of sustainability and a lot of de-risk of our company, say we are working precisely focused in each of the regions. Back to you, Radhika.

**Ms. Radhika** 1:47:47

So there are a few questions on the Jhagadia incident Carlos that, you know, when are you expected to start the plant? And what has been the volumes and the revenue loss there.

**Mr. Carlos** 1:48:00

Radhika, thank you. I would like Raj to explain what is the momentum there and where we are? Please Raj, can you lead that?

**Mr. Raj** 1:48:12

Yeah, so Jhagadia plant got restarted on 11th of April. And all the plants within Jhagadia you know, were operational from 14th of April. And therefore, from 14th of April till today, the plants are running full steam and delivery. So that's the current status.

**Mr. Carlos** 1:48:42

Thank you. Thank you Raj. Radhika, back to you.

**Ms. Radhika** 1:48:48

What kind of net debt reduction can we expect going forward?

**Mr. Carlos** 1:48:54

Anand, can you lead that please?

**Mr. Anand Vora** 1:48:56

Thanks Radhika, thanks, Carlos. So, you know, we will certainly bring Net Debt to EBITDA down to below 2 levels. At the same time, you know, we will keep evaluating opportunities for investment, be it towards the capex or be towards our, you know, any bolt on acquisitions or any such thing if need be. So, we maintain the growth momentum. So currently, I mean, as we have always done, I mean, as if you look at our track record, we continue, whenever we have surplus cash, we use it to repay the debt or if the debts are low then we have done buybacks in the past. So the intention is always to keep, you know, I would say shrinking the balance sheet, especially from a debt perspective. And if there's excess cash and if we do not have avenues to deploy this excess cash then we would return it to the shareholders by the way of dividend or by doing share buybacks. So that's the stated objective as of now, our stated goal that we are working towards for debt reduction. Thank you Radhika, back to you.

**Ms. Radhika** 1:50:13

Sure.

**Mr. Carlos** 1:50:19

Radhika, any other question?

**Ms. Radhika** 1:50:21

Yes, sir. Just give me a moment. How is AI and digital technologies helping UPL and farmers? And how are we educating farmers with the correct tools and promoting the products?

**Mr. Carlos** 1:50:39

It's a very, very interesting question because I like to ask to Vicente and Adrian to answer that. I will start with Vicente and then I request to Adrian complement that. Vicente, please can you explain a little bit what we are? How you see that in what we are doing on that?

**Mr. Vicente** 1:51:01

Yeah, I think you've seen the videos that we have presented and also Jai comment about the smart farming, so the solutions that we're bringing in several geographies in Africa and Central America. So, we are using digital to bring convenience to the growers, convenience to the customers and efficiencies

to the business. So it is not only one thing that we are developing but we are developing as a set of initiatives, we are piloting in several geographies, like in Central America in banana, in fruits in Chile and apples in Poland. So in India its scouting and weed identification. So, we are using these as part of the sustainable solutions and the approach, as we have mentioned of the ProNutiva. So, it brings convenience to the growers and bring efficiency to the business. So we have several initiatives that we are starting, piloting already implementing executing in several geographies. In terms of the products, I think Adrian can address these as well.

**Mr. Adrian** 1:52:15

Yeah, I would just thank Vicente, I would just add that there is enormous potential here, as you say, to increase efficiency on the farmers and provide convenience to growers and embedded decision making, you know, with the support of these tools. From a R&D perspective, as well, we are test driving, if you like many of these tools, we believe that they can be used to accelerate our R&D efforts and also accelerate our product development efforts and of course, you know, as I mentioned, we have the OpenAg farm in, in Brazil where we will be testing out many of these types of technologies, whether they're drone, you know, visualization or infield sensors. We also have the opportunity with other research funds that we are building out to also do this type of work on. So for instance, in the UK, we recently bought a farm in the northwest of England, that has additional acreage that we can use to test some of these different digital services and digital tools at scale.

**Mr. Carlos** 1:53:21

Excellent Adrian. And the mapping that we have done and the implementations the project is already running in field are incredible and it's so many ones. Now let's see, the amount of work that we are doing on that is quite huge. And we will continue to focus to develop the platform that can be combined in our platforms in combined in our solutions to each of the crops. We are in a good progress for that and I believe in the in the near future. We will see some activities on that too. Radhika, back to you.

**Ms. Radhika** 1:54:07

UPL has grown at a much higher rate in LATAM versus the peers over the last three to five years. Do we still see larger room for market share expansion in that region?

**Mr. Carlos** 1:54:19

Jagdish can you answer that? I believe that you can do even better. Jagdish, can you, can you come to explain that for us?

**Mr. Jagdish** 1:54:32

Yeah, thanks, Carlos. Thanks, Carlos. In case of LATAM definitely in last three years, we if you see we have grown very strongly. Like Carlos and Jai shared, we have leadership position in many countries like Colombia, Mexico, Costa Rica. And we still think that there is a lot of scope to grow in LATAM because the land of opportunity, region of opportunity. We are looking and we are working on towards this direction. And the basic reason is that our approach of the sustainability, where we are mixing the chemical and the bio solution and providing the solution to the farmer, like one example is the Passaporte Verde is a Spanish word but English if you translate as very, in the same manner as the green passport, where farmer is using the solution of the UPL, where he can export the product to the

Europe or US, without any hesitation or without any residues. So, there are many things we are doing and we are sure that there is a lot of scope to grow. And we are committed and we are exploring more opportunities to grow and definitely will deliver this. Thanks, Carlos.

**Mr. Carlos** 1:55:47

No, thank you so much. I would ask to Rogerio who has just arrived. What is your vision about growth in Brazil? Because you we are talking about LATAM, Jagdish managed LATAM and Rogerio you are managing Brazil now. What is your vision about the growth perspective in Brazil?

**Mr. Rogerio** 1:56:13

Good morning. Good afternoon. My vision is that we have great room for growth. As Fabio said, we have increased on area in Brazil for the main crops, row crops or all of the row crops will increase area, we are launching new products, we have incredible opportunity to, with the, our innovative portfolio to grow in Brazil. And keep growing as we did in the past.

**Mr. Carlos** 1:56:49

Very good. Thank you. Radhika, back to you.

**Ms. Radhika** 1:56:54

I think we have room for one or two more questions. And then I think we'll end so there's a question on Can you throw some light on channel inventory levels, especially in India and North America?

**Mr. Carlos** 1:57:06

Yeah. I believe the inventory in our industry this year, you will be quite consumed. In the totality, I believe will be a year of dry inventories at the end. But I would like to ask to Craig to talk about US, how you feel about the inventory in the field in the industry now in the US. And then I would like to ask to Ashish to talk about India, what you're feeling about the inventories in India? Craig?

**Mr. Craig** 1:57:42

Thanks, Carlos. Yeah, I agree with your comments. We're, gonna I mean, with farming today is in a very good spot. Right? There's a lot of optimism in the industry. At the same time, there's supply chain constraints, really across the industry. And so I think my expectation is we're going to be in probably one of the best inventory positions that we've been in on the channel for many, many years. I think you're right, Carlos, as we come out of this, this season, there's a lot of investment in crops today to grow the biggest deal they can possibly grow. And, you know, that's that's gonna have a big impact on that that number at the end of the year in September.

**Mr. Carlos** 1:58:27

Thank you, Craig. Thank you. Ashish, can you talk a little bit about India. And then I will like to ask to Kobayasi to talk about Asia. What is the inventory there? Ashish, can you talk a little bit?

**Mr. Ashish** 1:58:44

I think very interesting question. I think, in India, you know, despite the challenges we have with the pandemic right now, in terms of, you know, a little bit about logistics with people. But despite that, you

know, like Greg said, I think we are in one of the best inventory position, but I think a lot of our whatever stock we had is liquidated. I think we would need more products. So I think in terms of inventory position, we are very, very nicely placed. If at all, we would require more.

**Mr. Carlos** 1:59:15

Great, great, Kobayashi, can you talk a little bit about the Asia, Japan, what is the inventory situation in Asia?

**Mr. Kobayashi** 1:59:26

Yeah, thanks to the nice growth in the Asian countries, including Japan, China and Southeast Asia, the demand is moving to the right direction and the general inventory position in entire Asia is well managed and in the best position at this point of time.

**Mr. Carlos** 1:59:49

Great, great. Thank you. And let's say I believe this is the overall situation worldwide, that we have in terms of the inventory and the situation of the market and back to you Radhika.

**Ms. Radhika** 2:00:05

So can we see some price hikes in the second half, in the next year since we didn't see that in Q4?

**Mr. Carlos** 2:00:18

Yeah, we have different aspects related to the price. Now the devaluation have been an important impact, because the way the devaluation came was very fast and that can have impact in the way to protect prices, some in the past and now, we have even increase our capability there, to manage them to be protected there more, we learn from that and we feel that we have an important room to increase price because the costs have increased and it's a must to increase the price. And we believe that it's time that says fair, that we can recover our price because farmers are making good results. And its a right time to have our price in the fair value point. And we are working even on the right positioning of some products that we believe that is adding a quite important value, I'd say in the platforms in the way that we have designed the platforms if you see the way of sucking pests that we applied Perito and after that we apply, two application of Sperto. That is very important and we are now applying Perito, two application of Sperto and then one application of Fultron or Kaufol that increase the yield of the farmer. See we are working very much to capture the right value from what we, the solutions that we are giving to the farmers. And we use to say that we work to serve the farmer, not based on what they want but based on what they need, say because sometimes what the farmer wants is a cheap solution and what they need is the yield increase is the right return or capital investors is right return for their crop. So we are very much focused on that and to really give returns to the farmers. Back to you Radhika.

**Ms. Radhika** 2:02:44

Thank you, Carlos. So I think the last question is on receivable factoring. I think a lot of people have that question. So I've been I just want to highlight that it's you know, on the working capital slide as a footnote, just as an information it was 7600 crores. So Anand this is the last question. You know, from

the same end, any update on the company's communication with the rating agencies on the UPL rating outlook? That would be the last question.

**Mr. Anand** 2:03:15

Thanks. Thanks, Radhika. So we, I mean, we just announced our results today. Obviously, we cannot send the financial results to the rating agency before it's approved by them and put and shared with the stock exchanges. But we have started initial communication with the rating agencies and we are quite aware, we know their financial model and we have won some back of the envelope calculation and we do believe that we should be fine with the ratings based on our financial results. Back to you, Radhika, thanks.

**Ms. Radhika** 2:03:56

Thank you. Thank you. I think that we will end the presentation. Thanks, everyone, for joining us today. And if you have any more questions, please reach out to me for any questions and I'll get back to you. Thank you. Thank you.

**Mr. Jai** 2:04:15

Thanks, everyone. Thank you very much.